WEEKLY ECONOMIC REVIEW

November 3, 2006

In October, the Alberta economy created 23,000 jobs. The unemployment rate declined by 0.5 percentage points, reaching a three-decade low of 3 per cent. Even with the strong gains in employment, the growth rate in wages appears to be stabilizing. In October, the average hourly rate in Alberta slipped by 1.5 percentage points from September. However, in the first 10 months of this year, the average hourly wage rate increased by 7.1 per cent, more than double the Canadian average of 3.4 per cent.

Alberta accounted for 45 percent of gains in the Canadian employment in October, where employment increased by 51,000. The unemployment rate in Canada fell by 0.2 percentage points to 6.2 per cent.

The U.S. economy added just 92,000 jobs in October, but the total for August and September was revised upwards by 139,000. The unemployment rate declined to 4.4 per cent, the lowest since May 2001.

The Canadian economy advanced by 0.3 per cent in August with most gains in the energy, wholesale and retail trade industries. However, economic growth softened to 2.2 per cent on a year-over-year basis relative to a 2.5 per cent growth in July and its peak of 3.6 per cent in March.

Cdn Dollar (C¢/US$)

Nov 3, 2006	88.6¢
Oct 27, 2006	89.4¢
2006-07 YTD	89.1¢

WTI Oil SUS/bbl

Nov 2, 2006	$57.88
Oct 26, 2006	$60.36
2006-07 YTD	$68.92

Nymex Natural Gas CS/mcf*

November Contract

Nov 3, 2006	$8.89
Oct 27, 2006	$8.61

*Estimate based on Nymex Futures Market Price

In September, Canada's producer price index slipped by 1.6 per cent and the raw material price index declined by 5.2 per cent. The drop in both indexes resulted mainly from lower prices for crude oil.

Despite a decline in crude oil inventories this week, oil prices settled below $58 a barrel, as expected warm winters, doubts over OPEC's promised production cuts and prospects of slower U.S. economic growth pulled oil prices lower.

Following Finance Minister Flaherty announcement to tax income trusts, shares of trust units fell sharply this week, and the Canadian dollar dropped by nearly one cent.

Economic Indicators Released this Week	Reference Period	Month/Previous Month (M/M)	Month/Previous Year's Month (Y/Y)	Year-to-date[1]
	August			
Canada Real GDP (annualized, millions of 97$)	1,093,626	0.3%	2.2%	n/a
Industrial Product Price Index (1997=100)	September			
Canada	113.4	-1.6%	1.3%	2.3%
Raw Materials Price Index (1997=100)	September			
Canada	160.0	-5.2%	4.0%	13.1%
Employment	October			
Alberta	+1,902	1.2%	6.1%	4.4%
Canada	+16,556	0.3%	1.8%	1.9%
U.S.	+92,00	0.1%	1.5%	1.4%

Source: Statistics Canada, U.S. Bureau of Labour Statistics

[1]*Year-to-date 2006 compared to the same time period in 2005. For example: January-August 2006 versus January-October2005*